

Organizations that make application to the Department of Revenue and are determined to be exclusively religious, educational, or charitable, receive an exemption identification number (an "E" number). See 86 Ill. Adm. Code 130.2007. (This is a GIL).

November 29, 1999

Response sent via FAX

Dear Mr. Xxxxx:

This letter is in response to your faxed letter dated September 29, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

I work part time at a Jewel-Osco and from time to time customers have presented a letter addressed to the ORGANIZATION with an E-99 number granted from the state of Illinois.

One customer wanted to buy toiletry items. A sentence in the letter states that no purchases for personal use can be made with tax exemption. The woman said she was buying the items for the other nuns in her building and has bought similar items before with no problems. Does the tax exemption apply toward personal items, such as toiletries?

Another customer presented the tax exempt letter when he wanted to buy 5 (4) liter bottles of wine for the church - stating that he has purchased wine many times tax exempt. When I consulted with other supervisory coworkers they said that they have not sold alcohol to anyone tax exempt.

Can a person make tax exempt alcoholic beverage purchases with the E-99 letter? If there is an exemption, does it apply to wine only? Does the customer still pay the COUNTY excise tax?

Organizations that make application to the Department of Revenue and are determined to be exclusively religious, educational, or charitable, receive an exemption identification number (an "E" number). See the enclosed copy of 86 Ill. Adm. Code 130.2007. This number evidences that the Department recognizes the organizations as exempt from incurring Use Tax when purchasing tangible personal property in furtherance of their organizational purposes. If an organization does not have an E number, then its purchases are subject to tax. Please be aware that only sales to organizations holding the E number are exempt, not sales to individual members of the organization.

The type of item purchased by the exempt organization is not determinative of its tax-exempt status. Whether the item is used in furtherance of the organizational purpose of the exempt entity determines whether the item can be purchased tax-free. For example, wine purchased by an exempt church for use in its religious ceremonies would be used in furtherance of the organizational purposes of the church. However, wine purchased by a minister or priest for private consumption would not be exempt. If an exempt church purchases toiletries for a group of missionaries embarking on a trip, the purchase would be in furtherance of the organizational purpose of the church. However, if a missionary purchases toiletries for himself in preparation of the trip, the items would not be exempt.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.